MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		IVA (annual rate)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July	-14.06	-14.06	163.7	163.9	3690	3686	1648	1647	1.8	1.5
August	-9.86	-9.86	164.5	164.0	3703	3698	1650	1648	0.3	-0.3
September	-11.31	-12.65*	164.4	165.0	3711	3702	1651	1645	-0.3	-0.3
October	-11.85	-9.18	164.3	163.8	3739	3720	1656	1647	1.6	0.5
November	-12.02	-9.73	164.9	164.1	3760	3749	1658	1653	3.5	1.2
December	-11.09	-11.14	165.6	164.7	3789	3782	1663	1661	5.1	2.8
January 1985	-12.06	-10.96	165.9	165.1	3808	3798	1663	1660	5.5	3.6
February	-12.29	-10.73	166.4	165.0	3833	3826	1670	1666	5.9	5.2
March	-12.55	-11.28	167.3	165.4	3859	3854	1677	1672	5.9	4.9
April	-12.85	-11.69	167.7	165.9	3882	3870	1680	1674	4.7	2.6
May	-12.62	-12.56	167.6	166.8	3903	3881	1683	1673	5.2	4.7
June	-12.43	-12.21	167.5	167.5	3925	3910	1686	1678	5.7	6.8
July	-12.55	-11.85	168.2	167.2	3950	3931	1690	1681	6.6	7.9
August	-12.48	-11.62	168.5	167.0	3974	3954	1694	1685	8.3	9.3
September	-12.40	-11.23	168.9	167.8	4000	3977	1698	1688	10.0	9.0
October	-12.56	-11.46	168.8	168.3	4026	4000	1702	1691	11.7	10.1
November	-12.50	-11.27	169.5	168.6	4051	4015	1705	1690	13.0	10.6
December	-12.04	-10.98	170.4	169.0	4077	4044	1710	1697	14.3	11.4

Fore. = November Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

FINANCIAL MARKETS

	Monetary Base		M1		M2		Federal Funds		T-Bills (6 Mos.)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	212.5	212.5	545.6	547.8	2281.4	2281.9	11.23	11.23	10.52	10.52
August	212.7	212.7	546.4	546.7	2290.1	2291.1	11.64	11.64	10.61	10.61
September	215.0	215.0	549.0	548.9	2304.7	2305.8	11.30	11.30	10.47	10.47
October	214.8	214.6	547.5	545.5	2317.8	2317.2	10.03	9.99	9.72	9.87
November	215.5	216.1*	550.3	549.2*	2330.1	2334.7*	9.92	9.53*	9.03	8.83*
December	216.2	217.2	553.1	553.9	2342.4	2354.2	9.90	9.07	9.21	8.42
January 1985	217.1	217.7	557.3	558.4	2361.6	2373.8	10.07	9.15	9.48	8.63
February	218.1	218.2	560.5	561.4	2379.7	2392.8	10.24	9.23	9.64	8.76
March	219.0	219.0	563.6	562.8	2398.8	2407.2	10.41	9.44	9.80	8.93
April	220.7	220.2	566.7	564.8	2413.2	2424.1	10.60	9.37	9.95	8.79
May	222.3	221.6	569.9	567.5	2429.8	2443.5	10.73	9.53	10.03	8.85
June	223.9	222.8	573.1	570.4	2446.3	2460.6	10.53	9.42	9.90	8.75
July	224.9	223.6	577.0	572.2	2466.1	2475.4	10.46	9.22	9.87	8.57
August	225.8	224.9	581.1	575.7	2486.0	2495.2	10.39	9.25	9.73	8.64
September	227.0	225.8	585.1	578.3	2506.1	2512.7	10.31	9.39	9.59	8.51
October	228.0	226.7	586.8	580.8	2518.3	2530.3	10.03	9.54	9.32	8.79
November	229.1	228.0	587.9	583.7	2530.4	2548.0	9.78	9.39	9.08	8.62
December	230.2	229.3	589.0	586.8	2542.6	2568.4	9.47	9.64	8.84	8.87

	Aaa (Seasoned)		Municipals (Bond Buyer)		(3 Month) Commercial Paper		90 Day CD's		Prime Rate	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	13.44	13.44	10.42	10.42	11.19	11.19	11.56	11.56	13.00	13.00
August	12.87	12.87	10.06	10.06	11.18	11.18	11.47	11.47	13.00	13.00
September	12.66	12.66	10.03	10.03	11.04	11.04	11.29	11.29	13.00	13.00
October	12.53	12.63	10.22	10.22	9.82	10.12	10.15	10.38	12.59	12.58
November	12.35	12.35*	10.16	10.16*	9.75	9.28*	10.07	9.53*	12.00	11.76*
December	12.17	11.86	10.10	10.04	9.83	8.96	10.12	9.18	11.83	11.08
January 1985	12.46	11.94	10.37	10.15	10.04	9.22	10.27	9.47	11.75	11.00
February	12.55	12.13	10.48	10.25	10.20	9.45	10.43	9.66	11.50	11.00
March	12.64	12.26	10.52	10.30	10.43	9.56	10.65	9.72	11.50	11.22
April	12.79	12.34	10.62	10.37	10.65	9.40	10.88	9.61	11.56	11.50
May	12.92	12.32	10.79	10.30	10.78	9.47	10.95	9.68	12.12	11.50
June	12.87	12.17	10.64	10.08	10.62	9.36	10.86	9.55	12.50	11.50
July	12.64	12.09	10.39	9.97	10.53	9.17	10.73	9.38	12.50	11.50
August	12.56	12.02	10.30	9.86	10.39	9.13	10.58	9.33	12.50	11.50
September	12.48	12.18	10.18	9.93	10.22	9.26	10.46	9.55	12.50	11.50
October	12.37	12.31	9.98	9.97	10.01	9.65	10.27	9.93	12.33	11.50
November	12.31	12.06	9.92	9.83	9.82	9.47	10.06	9.66	12.00	11.50
December	12.25	12.21	9.80	9.99	9.56	9.72	9.85	10.03	12.00	11.68

Fore. = November Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

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MONTHLY PROJECTIONS
DECEMBER 1984

Dr. Donald Ratajczak, Director
For Release: January 18, 1985

INVENTORY ADJUSTMENT PAUSE IS OVER

An unexpected decline in consumer spending during the summer and fall quarters led to a more substantial accumulation of inventories than producers desired. By September, production restrainst to reestablish an appropriate inventory balance had begun in earnest. However, further consumption weakness prevented inventories from falling below sales until November. At that time, a rebound in consumer spending coupled with continued moderation in production schedules caused inventories to expand only 0.1% even as business sales were growing 1.1%. Although sales apparently weakened in December, the areas of weakness were automobiles, where temporary fluctuations in sales rather than any basic softness exists, gasoline and grocery stores. In the latter two instances, sales weakness is not directly related to further industrial activity. In addition, weak prices probably are as important as any other factor in explaining their slowdown. Other retail goods, from household durables to apparel and general merchandise all rebounded strongly in December, reducing inventories for the beginning of 1985.

Despite concern that Christmas was not creating as large a sales gain as most retailers desired, manufacturers were receiving sufficient orders to extend their work hours and increase their hiring during the month. With further liquidation of undesirable inventories, more normal flows of orders and production now are likely in the winter and spring months.

In addition to the termination of the inventory correction, economic activity appears to have been stimulated in recent months by a surge in nonresidential construction activity. Furthermore, a collapse in net exports during the third quarter reflected some unusual events along with the continuing deterioration of American competitiveness abroad. It is unlikely that the nearly 55% increase in imports at annual rates during the summer reflected a permanently higher intrusion of foreign goods into the American markets. Rather, overestimating the strength of Christmas sales and fears that marketing restraints would prevent the free flow of imports into this country caused a substantial surge in imports, which promptly went into inventories. During the fourth quarter, net exports actually will be rising, possibly by enough to offset the adverse effects from reduced inventory accumulation.

Are tax uncertainties already beginning to slow housing activity? In October, starts of housing with more than one unit were 571,000. By December,

multi-family starts had fallen to 523,000. Weather was not a factor in this decline, as the south, which is most substantially impacted by weather, generated one of its stronger starts months during the relatively mild December weather. Permits for multi-family units have continued to grow, reaching 766,000 in December. Apparently, builders continue to make plans but are hesitant to commit resources until a clear understanding of possible tax changes can develop. If the President endorses tax reform in his State of the Union or Budgetary messages, many of these permits for multi-family units may never be utilized. Under those circumstances, the rebound in housing activity will fall short of numbers being generated in these projections.

Because the inventory correction appears to becompleted, greater economic strength now is expected in the first part of 1985 than in our earlier projections. Also, inflation is expected to remain surprisingly subdued through the first half of 1985. Our PPI projections for January indicate that deflationary forces currently are prevalent. Furthermore, a decline in oil prices sometime during the spring is very likely. While some acceleration of inflationary pressures is likely during the latter part of 1985, especially as unit labor costs are beginning to rise, the reduced inflationary environment suggests that consumer spending may be stronger than originally anticipated. Nevertheless, economic activity will continue to generate relatively meager profits, especially in commodity producing industries. This squeeze on corporate profitability should ultimately slow the expansion of nonresidential construction and capital goods. By the end of 1985, recessionary tendencies could reappear. For the present, however, the economic outlook appears to be more encouraging than previously projected for the first half of 1985.

Quarterly Profile of GNP

	1984-3	1984-4	1985-1	1985-2	1985-3	1985-4
Real:	1.6	2.9	4.3	4.7	3.3	2.7
Price:	3.9	2.9	3.9	3.7	4.2	4.8
Nominal:	5.6	5.9	8.4	8.6	7.6	7.6

Monthly Statistical Highlights for December 1984

Personal income +0.9%; savings rate 6.3%; personal consumption +1.0%; construction expenditures +1.3%; CPI +0.2%; consumption deflator +0.1%; leading indicators +0.4%; real GNP +6.0%.

Monthly Statistical Highlights for January 1985

Payroll employment +238,000; index of hours worked +0.3%; household employment +228,000; civilian unemployment rate 7.2%; personal income +0.3%; savings rate 5.9%; personal consumption +0.7%; retail sales +0.6%; auto sales 10.5 million; housing starts -1.3%; housing permits -5.8%; construction expenditures -0.5%; business inventory +0.5%; orders for durable goods +2.2%; orders for nondefense capital goods +2.4%; industrial production +0.5%; CPI +0.1%; PPI -0.2%; consumption deflator +0.2%; leading indicator +0.3%; real GNP +2.2%; M1 +10.9%; M2 +10.0%.

COMMENTARY

Employment - Several temporary factors added to the increase in payroll employment during December. Because of unusually mild weather, construction employment increased more than 50,000. Although payrolls of general merchandisers declined in December, reflecting weaker Christmas sales than anticipated, employment in other retail activities continued to grow sharply. Some slowing certainly should be anticipated in the months ahead. However, a 0.2 hour extension in the workweek strongly suggests that payroll employment once again will grow significantly in January. Initial claims have fallen sharply, but shortened processing hours as a result of holidays may partially explain those reductions. The strength in employment also generated a surprisingly strong 0.6% gain in the hourly earnings index. That index now is 3.4% above previous year levels and appears to have begun accelerating.

Personal Income & Outlays - After growing strongly late in 1984, personal income should slow abruptly during January as a result of estimated increases in Social Security taxes. Of course, part of this tax strain will be offset by reductions in personal tax estimates to reflect the impact that indexation will have upon tax liabilities. This will cause disposable income to grow relative to personal income. Our current estimates suggest that personal savings will decline in January, but this is also based upon minimal changes in the hourly earnings index following a December surge. If the hourly earnings index continues to grow robustly, wage and salary gains could be more significant that currently anticipated, but corporate profitability also would be more intensely squeezed.

Outlays are providing a better estimate of consumer activity than retail sales. While retail sales estimates suggest that automobile sales are weak, the outlays show the reverse. In January, sharp increases in stock market trading volume might lead to more significant gains in expenditures for imputed services than currently are expected. These projections show slower gains in dollar spending for personal consumption, but the moderation of inflation generates more rapid increases in inflation adjusted consumer spending. Thus, the consumer retrenchment is not as substantial as the slowing of nominal spending would suggest.

One of the apparent reasons for significant discrepancies between auto sales and the auto component of durable outlays may be the sales of minivans. Those vans are not included in unit sales of automobiles. (Of course, sales to businesses also could distort the difference between unit sales and sales reported by dealers.) In January, unit sales rebounded following a slow last 10 days of December. Thus, the weakness in the automobile component clearly is temporary. Later in the year, however, consumer debt will require nearly 18% of disposable income to be serviced. At that level, sales of big ticket items traditionally slow.

Construction - Reasons for a strong surge in construction of industrial and commercial property during the latter months of 1984 are not clear. Vacancy rates have been rising steadily. In addition, concern about tax changes might slow investment in activities that have long gestations. On the other hand, tax uncertainty might encourage the acceleration of programs that had been postponed. For whatever reason, this surge in commercial and industrial activity is expected to slow early in 1985. Moreover, after a modest gain in public construction activity should slow there as well. With problems becoming substantial in multi-housing starts, a rebound in housing activity should

materialize slowly. While housing expenditures are expected to rise in 1985, the rate of increase may be more subdued than originally anticipated.

Especially favorable weather could lead to a significant increase in construction spending during December. This is why some slowing from that spending rate is anticipated in January.

The construction cost index began firming in November and our surveys for the PPI show that further increases now are developing into the winter months. No dramatic inflationary surge is expected, but the especially moderate price restraint for construction products appear to be over. In 1985, the construction cost index is expected to rise 3.7%.

Business Activity - As mentioned above, manufacturers' inventories declined in November, probably indicating the end of inventory restraint. As the inventory adjustment appears to be completed earlier than originally expected, more substantial gains are expected in industrial production during the winter and spring months.

Shipments of nondefense capital goods showed surprising gains in November despite the continued reduction of backlogs. More modest gains in shipments almost certainly will be developing even if orders show a modest amount of strengthening in the months ahead.

Prices - A surprisingly low estimate of the GNP deflator for the fourth quarter now is confirmed by our own monthly estimates of the GNP deflator. Similarly slow gains are now anticipated in the first half of 1985. Indeed, little growth is expected in the PPI until the second half of 1985. For all of 1985 consumer service prices are expected to increase 6.0% while price increases for consumer nondurables should be only slightly more than 2%. Because of aggressive pricing by automobile producers, prices for consumer durables are expected to grow 3.2%.

FINANCIAL MARKETS

The Federal Reserve decided to accommodate increasing money demand in December and January. Because of apparent seasonal adjustment problems, M1 did not appear to respond to the more significant growth in available reserves in December, although M2 grew dramatically. In January, the Federal Reserve expanded available reserves at an unusually aggressive rate. This has generated some growth in M1. At the same time, sensitive short-term interest rates have declined significantly. Apparently, the long-term market viewed this shift in supply restraints by the Federal Reserve as increasing inflationary dangers. The magnitude of price improvement for long-term debt instruments has not been significant in the past few months. As a result, the yield curve is especially steep at the present time. Short-term interest rates probably will rise late in the winter and during the spring as the initial Federal Reserve accommodation during this period of expanding economic activity will lead to accelerating growth in the monetary aggregatesa and a reversal of Federal Reserve ease. However, no dramatic gains in sensitive short-term rates are anticipated. Indeed, lower interest rates for commercial paper than for federal funds suggest that the demand for short-term credit may be as important in determining interest rates as the increased supply of available reserves.

Obviously, the inventory correction has significantly slowed the growth of short-term credit market pressures. To be sure, corporate profitability also has slowed. Nevertheless, the corporate sector's net use of the credit market has diminished. In January, higher Social Security taxes are further reducing the government deficit. Unfortunately, deficits will now be rising through the remainder of the year. The household sector has been increasing savings and reducing spending on new housing. Both positions will reverse themselves during the spring. Thus, pressures for rising interest rates soon will materialize. However, foreign investors are expected to remain infatuated with the dollar until the second half of 1985. Thus, interest rates should not be under as much pressure in 1985 as they were in the first half of 1984.

Municipals rallied even more dramatically than anticipated in our last report. A falloff in the supply of tax exempts has reduced the ratio of the bond buyer to seasoned AAA's to slightly more than .77. If tax changes occur, it is unlikely that this ratio will fall substantially further. For that reason, investors probably should begin taking profits in municipals and shifting toward taxable long-term securities.

Equity Markets - Stronger economic activity in the first half of 1985 suggests that corporate profits will be rising despite acceleration in hourly wage costs and some deterioration in productivity. In the second half of 1985, corporate profitability could be under downward pressures. Unfortunately, interest rates will be rising while corporate profits are also increasing. As a result, advances in equity values should be minor. The stock market is not expected to exceed 1250 on the Dow until late in 1985.

On the other hand, the downside risk in equity ownership should not be very great. Certainly, equity values are not expected to fall below 1100 as measured by the Dow Jones. By the end of 1985, the stock market could be rallying. Nevertheless, the preferred investment strategy at the present time probably is to purchase long-term bonds and interest sensitive stocks. Other funds could remain in short-term instruments until a pullback in the stock market provides investment opportunities in the latter half of 1985.

EMPLOYMENT

	Payroll Employment		Index of Hours Worked		Household Civilian Employment		Civilian Unemployment Rate		Hourly Earnings Index	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	94350	94350	112.6	112.6	105395	105377	7.5	7.5	160.8	160.8
August	94532	94523	112.6	112.7	105969	105148	7.5	7.5	160.6	160.6
September	94671	94807	113.2	113.4	105239	105394	7.4	7.4	161.7	161.6
October	95195	95154	113.3	113.2	105655	105649	7.4	7.3	162.0	161.3
November	95317	95489	113.5	114.0	105820	105932	7.4	7.1	162.4	162.0
December	95478	95798	113.8	114.5	106012	106273	7.5	7.2	162.8	163.0
January 1985	95622	96036*	113.9	114.8*	106307	106501*	7.4	7.2*	163.5	163.3*
February	95811	96178	114.1	114.9	106629	106611	7.3	7.3	164.2	163.8
March	96015	96332	114.2	115.1	106948	106776	7.2	7.3	164.9	164.4
April	96193	96490	114.4	115.3	107126	107002	7.2	7.3	165.5	165.0
May	96328	96649	114.7	115.4	107378	107198	7.1	7.3	166.0	165.6
June	96463	96793	115.0	115.6	107622	107355	7.1	7.2	167.3	166.3
July	96605	96963	115.1	115.8	107765	107546	7.1	7.2	168.1	167.0
August	96779	97096	115.2	115.9	107900	107737	7.1	7.1	168.8	167.7
September	96953	97231	115.3	116.1	108035	107973	7.1	7.1	169.4	168.4
October	97065	97340	115.4	116.2	108192	108146	7.0	7.0	169.4	169.1
November	97154	97495	115.6	116.4	108326	108306	7.1	6.9	170.1	169.8
December	97242	97620	115.8	116.6	108455	108448	7.1	6.9	170.9	170.5

PERSONAL INCOME

	Personal Income		Wage & Salary		Personal Savings		Disposable Income		Personal Outlays	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	3.027	3.028	1.812	1.812	158.5	158.7	2.587	2.589	2.428	2.430
August	3.045	3.046	1.816	1.817	174.2	174.3	2.603	2.605	2.429	2.431
September	3.071	3.068	1.828	1.829	161.5	159.2	2.625	2.625	2.463	2.466
October	3.087	3.079	1.835	1.832	160.9	171.2	2.636	2.633	2.475	2.462
November	3.106	3.100	1.848	1.846	147.9	164.6	2.649	2.648	2.501	2.483
December	3.125	3.129*	1.858	1.862*	143.9	167.5*	2.662	2.675*	2.518	2.507*
January 1985	3.134	3.139	1.870	1.873	135.1	157.6	2.671	2.683	2.536	2.525
February	3.148	3.155	1.879	1.882	131.4	155.2	2.685	2.695	2.554	2.540
March	3.163	3.171	1.888	1.892	134.3	152.3	2.701	2.707	2.567	2.555
April	3.181	3.188	1.898	1.902	127.1	153.0	2.715	2.721	2.588	2.568
May	3.201	3.199	1.909	1.912	122.4	143.6	2.729	2.728	2.607	2.584
June	3.220	3.222	1.921	1.923	128.7	146.9	2.744	2.749	2.615	2.602
July	3.241	3.243	1.931	1.935	129.1	149.4	2.760	2.765	2.631	2.616
August	3.261	3.260	1.942	1.946	130.0	153.3	2.776	2.780	2.646	2.627
September	3.280	3.284	1.952	1.957	129.0	161.0	2.793	2.800	2.664	2.639
October	3.299	3.300	1.963	1.967	126.5	154.3	2.810	2.814	2.684	2.660
November	3.318	3.319	1.973	1.978	119.6	145.2	2.821	2.829	2.701	2.684
December	3.339	3.338	1.984	1.989	117.8	148.6	2.833	2.844	2.715	2.695

Fore. = November Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

CONSUMPTION

	Personal Consumption		Durables		Nondurables		Services		Consumption Real	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	2348.7	2350.5	320.2	320.2	859.2	859.2	1169.2	1171.1	1064.8	1066.1
August	2347.8	2350.1	313.6	313.2	856.1	853.5	1181.8	1183.4	1058.5	1059.5
September	2381.3	2383.7	318.1	318.2	874.5	871.6	1188.7	1193.8	1070.3	1072.2
October	2391.7	2378.6	319.5	316.5	876.9	863.9	1195.3	1198.2	1070.6	1066.9
November	2416.5	2398.9	325.8	321.5	884.7	865.4	1206.0	1212.0	1077.4	1074.5
December	2432.3	2422.2*	327.6	327.5*	888.0	872.9*	1216.7	1221.8*	1080.5	1082.9*
January 1985	2449.9	2438.5	330.5	332.0	893.5	875.8	1225.9	1230.7	1084.5	1087.8
February	2466.4	2453.0	332.4	334.2	898.8	880.4	1235.2	1238.4	1088.0	1090.3
March	2478.5	2467.0	330.7	335.5	903.2	884.2	1244.6	1247.3	1089.5	1092.4
April	2498.7	2479.2	332.8	336.2	910.8	886.5	1255.1	1256.5	1094.5	1094.0
May	2516.4	2494.6	335.3	337.9	915.3	891.8	1265.8	1264.9	1097.9	1099.1
June	2524.2	2511.3	334.5	339.7	914.7	896.3	1275.0	1275.3	1097.0	1102.7
July	2538.8	2523.8	335.0	338.9	919.5	901.0	1284.3	1283.9	1098.6	1104.1
August	2553.1	2533.8	333.7	334.6	925.8	906.7	1293.6	1292.5	1100.0	1103.6
September	2570.1	2545.1	334.5	333.7	934.2	912.3	1301.4	1299.1	1103.0	1104.2
October	2588.6	2564.9	336.3	334.7	939.7	918.6	1312.6	1311.6	1105.8	1108.2
November	2605.6	2588.2	337.5	341.1	944.3	926.4	1323.8	1320.7	1107.8	1114.3
December	2618.5	2598.7	337.5	339.9	945.9	929.4	1335.1	1329.4	1108.1	1113.8

RETAIL SALES

	Retail Sales		Non-Auto Durables		Auto (Million Units)		Nondurable Sales		Auto Sales	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	107.44	107.44	15.44	15.44	10.6	10.6	69.99	69.99	22.02	22.02
August	106.81	106.61	15.58	15.60	9.9	10.0	70.15	69.83	21.08	21.08
September	108.52	108.24	15.52	15.77	10.2	10.2	71.64	71.19	21.36	21.28
October	108.88	108.73	15.57	15.89	10.0	9.7	71.84	70.32	21.47	22.52
November	110.25	110.90	15.44	16.29	10.4	9.8	72.48	71.61	22.33	23.01
December	111.00	110.82	15.40	16.47	10.8	11.0	72.75	71.88	22.85	22.47
January 1985	111.72	111.52*	15.46	16.38*	10.8	10.5*	73.20	72.05*	23.06	23.09*
February	112.37	112.07	15.45	16.42	10.8	10.6	73.63	72.33	23.29	23.32
March	112.33	112.45	15.48	16.48	10.6	10.6	73.89	72.56	22.96	23.41
April	113.26	112.72	15.43	16.49	10.8	10.5	74.41	72.75	23.42	23.48
May	113.95	113.36	15.52	16.63	10.9	10.5	74.78	73.18	23.65	23.55
June	113.61	113.94	15.50	16.66	10.7	10.6	74.83	73.55	23.28	23.73
July	114.16	114.24	15.57	16.73	10.7	10.4	75.22	73.94	23.36	23.57
August	114.43	114.19	15.91	16.77	10.4	10.2	75.74	74.41	22.78	23.01
September	115.21	114.55	15.89	16.80	10.4	10.1	76.43	74.87	22.89	22.88
October	115.87	115.18	15.89	16.91	10.5	9.9	76.88	75.38	23.10	22.89
November	116.39	116.58	15.97	17.09	10.5	10.1	77.26	76.02	23.16	23.47
December	116.41	116.68	16.14	17.13	10.3	10.0	77.49	76.27	22.78	23.28

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CONSTRUCTION

	Housing Starts		Single Family Starts		Housing Permits		Construction Expenditures (Current)		Construction Expenditures (Real)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	1.754	1.754	0.990	0.990	1.565	1.565	311.2	314.2	191.0	192.4
August	1.539	1.539	0.932	0.932	1.506	1.506	311.6	318.0	190.9	194.2
September	1.676	1.683	1.009	1.016	1.424	1.440	312.5	318.7	191.0	193.8
October	1.596	1.535	0.968	0.964	1.397	1.418	313.9	318.8	191.4	194.7
November	1.582	1.554	0.985	1.009	1.406	1.591	314.9	322.2	191.5	196.4
December	1.562	1.587	0.984	1.064	1.411	1.588	316.0	326.3*	191.6	198.2*
January 1985	1.531	1.567*	0.963	1.044*	1.385	1.496*	315.0	324.6	190.7	196.7
February	1.542	1.592	0.951	1.052	1.371	1.465	313.4	327.5	189.4	197.9
March	1.523	1.623	0.943	1.065	1.352	1.483	311.0	330.2	187.6	199.0
April	1.548	1.667	0.968	1.086	1.379	1.513	313.8	331.8	188.6	199.4
May	1.569	1.692	0.997	1.099	1.401	1.542	317.0	335.7	189.8	201.0
June	1.599	1.697	1.017	1.113	1.443	1.552	320.0	338.3	190.9	201.9
July	1.637	1.653	1.043	1.096	1.502	1.531	323.9	341.3	192.8	203.0
August	1.678	1.657	1.056	1.119	1.509	1.488	327.3	342.9	194.2	203.3
September	1.734	1.660	1.069	1.134	1.543	1.532	329.7	344.9	195.2	203.8
October	1.762	1.727	1.118	1.183	1.558	1.523	333.9	345.7	197.0	203.7
November	1.801	1.723	1.173	1.182	1.579	1.567	336.8	348.6	198.0	204.9
December	1.846	1.739	1.227	1.206	1.608	1.596	339.7	350.6	198.9	205.4

	Non-Residential		Public Construction		Residential Construction	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	119.7	120.4	56.2	56.0	135.3	137.8
August	120.0	122.3	56.2	56.8	135.4	138.9
September	121.3	123.8	56.7	57.8	134.5	137.1
October	122.6	126.8	57.3	56.9	134.0	135.1
November	123.9	130.7	57.8	56.9	133.2	134.6
December	125.1	132.3*	58.4	58.0*	132.5	136.0*
January 1985	125.6	132.2	58.8	57.9	130.6	134.5
February	125.9	133.1	59.0	58.3	128.5	136.1
March	126.2	134.4	58.4	58.8	126.4	137.0
April	127.0	135.3	59.0	59.2	127.8	137.3
May	127.9	136.7	59.8	59.7	129.3	139.3
June	128.5	137.6	60.6	60.3	130.9	140.4
July	129.6	139.0	60.9	60.8	133.4	141.5
August	130.0	140.5	60.8	60.5	136.5	141.9
September	128.8	141.3	60.8	61.1	140.1	142.5
October	129.7	141.9	61.5	61.6	142.7	142.2
November	130.9	143.3	61.7	61.3	144.2	144.0
December	132.1	144.0	61.8	61.7	145.8	144.9

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BUSINESS ACTIVITY

	Manufacturers' Inventories		Durable Goods Orders		Non-Defense Capital Goods Orders		Non-Defense Capital Shipments	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	280.0	280.0	101.70	101.70	27.65	27.65	25.86	25.86
August	283.5	283.5	102.02	102.02	26.50	26.50	26.05	26.05
September	285.2	285.2	97.61	98.68	27.10	27.84	27.46	27.74
October	287.8	286.4	95.63	96.07	26.25	25.38	27.05	26.54
November	290.3	285.5	97.26	103.53	27.03	27.46	27.23	27.63
December	292.6	286.4	98.41	100.42*	27.49	27.11*	27.41	27.72*
January 1985	294.8	287.9	99.53	102.66	27.63	27.75	27.86	27.81
February	296.9	289.1	99.96	104.47	27.99	28.22	28.01	28.14
March	299.5	290.7	98.27	105.32	28.05	28.43	28.17	28.33
April	301.4	292.6	100.05	104.66	28.07	28.40	28.32	28.42
May	303.9	294.3	100.83	106.32	28.15	28.92	28.49	28.61
June	306.5	297.1	101.26	106.71	27.92	29.07	28.66	28.85
July	309.0	299.5	100.95	107.12	27.84	29.25	28.79	29.03
August	311.2	301.2	101.83	106.63	28.06	29.11	28.91	29.18
September	313.2	303.1	102.27	106.97	28.55	29.31	29.06	29.34
October	315.2	305.2	103.36	107.84	28.52	29.54	29.37	29.51
November	317.4	306.9	103.35	107.95	28.52	29.50	29.47	29.67
December	319.9	308.5	104.42	106.89	28.69	29.27	29.58	29.75

	Business Inventories		Defense Shipments		Industrial Production		Capacity Utilization	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.F.
July 1984	551.2	551.2	5.99	5.99	165.8	165.9	82.7	82.7
August	556.2	556.2	6.13	6.13	166.1	166.1	82.6	82.6
September	558.5	560.4	5.88	6.14	165.1	165.2	81.9	82.0
October	564.6	563.8	6.15	6.35	165.6	164.6	82.0	81.5
November	567.8	564.2	6.31	6.28	166.4	165.2	82.2	81.6
December	571.9	567.6*	6.47	6.39*	167.0	166.2*	82.4	81.9*
January 1985	576.3	570.6	6.56	6.50	167.0	167.0	82.2	82.1
February	580.7	573.8	6.64	6.62	166.9	167.5	82.0	82.2
March	584.9	577.9	6.71	6.65	167.4	168.0	82.1	82.3
April	588.7	581.5	6.86	6.73	167.8	168.7	82.1	82.5
May	592.5	584.6	6.95	6.81	168.2	169.5	82.2	82.7
June	597.9	589.6	6.95	6.93	168.5	170.0	82.2	82.8
July	602.5	594.3	7.13	6.92	168.9	170.6	82.3	82.9
August	606.4	597.6	7.39	7.11	169.2	171.0	82.3	83.0
September	610.8	601.3	7.42	7.23	169.5	171.4	82.3	83.1
October	614.7	605.0	7.49	7.32	169.8	171.7	82.3	83.1
November	618.8	608.1	7.55	7.40	170.3	172.0	82.4	83.1
December	622.0	611.0	7.62	7.48	170.7	172.0	82.5	82.9

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MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		IVA (annual rate)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July	-14.06	-14.06	163.7	163.9	3690	3685	1648	1647	1.8	1.5
August	-9.86	-9.86	164.5	164.0	3703	3698	1650	1648	0.3	-0.3
September	-11.31	-12.65	164.4	165.4	3711	3695	1651	1642	-0.3	-0.3
October	-11.85	-9.18	164.3	164.5	3739	3717	1656	1648	1.6	0.7
November	-12.02	-9.94	164.9	166.6	3760	3744	1658	1656	3.5	0.2
December	-11.09	-10.31*	165.6	167.6*	3789	3777	1663	1667	5.1	1.6
January 1985	-12.06	-10.58	165.9	168.1	3808	3799	1663	1670	5.5	2.7
February	-12.29	-11.35	166.4	168.5	3833	3820	1670	1674	5.9	2.1
March	-12.55	-10.92	167.3	168.9	3859	3848	1677	1680	5.9	2.5
April	-12.85	-11.63	167.7	169.4	3882	3875	1680	1686	4.7	0.7
May	-12.62	-12.15	167.6	169.9	3903	3900	1683	1694	5.2	1.8
June	-12.43	-12.38	167.5	169.6	3925	3932	1686	1702	5.7	3.3
July	-12.55	-11.92	168.2	169.8	3950	3953	1690	1705	6.6	4.9
August	-12.48	-11.97	168.5	170.1	3974	3975	1694	1708	8.3	6.3
September	-12.40	-11.43	168.9	170.3	4000	3996	1698	1710	10.0	6.9
October	-12.56	-10.96	168.8	171.0	4026	4019	1702	1713	11.7	8.5
November	-12.50	-10.85	169.5	170.5	4051	4051	1705	1721	13.0	9.3
December	-12.04	-10.69	170.4	169.9	4077	4073	1710	1723	14.3	9.9

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PRICES

	CPI-U (seasonally adjusted)		PPI Finished Goods (seasonally adjusted)		PPI-Industrial Commodities (unadjusted)		Estimated GNP Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	311.0	311.0	292.2	292.2	324.0	323.9	223.85	223.80
August	312.4	312.4	291.9	291.9	323.5	323.3	224.39	224.43
September	313.6	313.5	291.3	291.4	322.3	322.3	224.84	225.08
October	314.5	314.8	292.2	290.8	324.0	323.2	225.80	225.60
November	315.8	315.3	293.0	292.2	324.7	323.8	226.81	226.07
December	317.0	315.9*	293.8	292.5	325.3	323.0	227.80	226.58
January 1985	318.0	316.2	294.7	292.8*	326.0	323.5*	228.93	227.48
February	319.1	317.3	295.7	293.6	326.6	324.3	229.51	228.26
March	320.2	318.5	296.6	294.2	327.2	325.0	230.09	229.06
April	321.4	319.6	297.3	294.9	327.0	324.6	231.02	229.83
May	322.6	320.2	298.4	293.7	328.0	325.0	231.90	230.22
June	323.9	321.2	299.6	294.1	328.6	325.9	232.78	230.99
July	325.4	322.5	300.7	294.8	329.4	326.6	233.70	231.80
August	326.9	323.9	301.9	295.5	330.1	327.3	234.62	232.77
September	328.3	325.1	303.1	296.3	330.8	327.9	235.54	233.65
October	329.7	326.4	304.6	297.2	332.4	329.6	236.60	234.62
November	331.1	327.6	305.8	298.4	332.8	330.1	237.54	235.42
December	332.5	329.0	307.1	299.6	333.3	330.7	238.47	236.42

	Consumption Deflator		Consumer Durables		Consumer Nondurables		Consumer Services		Implicit Construction Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
July 1984	220.6	220.5	179.4	179.4	216.9	216.9	238.5	238.3	162.9	163.3
August	221.8	221.8	179.2	179.2	218.3	218.2	239.8	239.7	163.2	163.8
September	222.5	222.3	179.1	179.0	218.6	218.4	241.0	241.0	163.6	164.4
October	223.4	223.0	180.3	178.6	219.3	219.5	242.1	241.5	164.0	163.7
November	224.3	223.2*	181.3	179.1*	219.9	219.3*	243.3	242.2*	164.4	164.1*
December	225.1	223.7	182.2	179.5	220.4	219.3	244.4	243.2	164.9	164.6
January 1985	225.9	224.2	182.7	180.3	220.9	219.1	245.7	244.2	165.2	165.0
February	226.7	225.0	182.9	181.1	221.4	219.6	246.9	245.3	165.5	165.5
March	227.5	225.8	183.0	181.5	221.9	220.2	248.0	246.5	165.8	165.9
April	228.3	226.6	183.3	182.0	222.6	220.5	249.3	247.7	166.4	166.4
May	229.2	227.0	183.1	181.8	223.1	220.3	250.7	248.8	167.0	167.0
June	230.1	227.7	183.7	182.0	223.5	220.8	252.0	250.0	167.6	167.6
July	231.1	228.6	184.0	182.2	224.3	221.4	253.3	251.2	168.0	168.1
August	232.1	229.6	184.4	182.5	225.2	222.0	254.7	252.5	168.5	168.7
September	233.0	230.5	184.8	183.0	226.1	222.6	256.0	253.7	168.9	169.2
October	234.1	231.4	185.2	183.6	226.9	223.2	257.4	255.0	169.5	169.7
November	235.2	232.3	185.7	184.3	227.7	223.8	258.8	256.3	170.1	170.1
December	236.3	233.3	186.2	185.0	228.5	224.5	260.2	257.6	170.8	170.7

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